

# Set Your Sights on Netherlands' HRI

By Marcel Pinckaers

In the past four years, sales in the Dutch HRI (hotel, restaurant and institutional) sector have jumped more than 20 percent, from \$9.4 billion in 1999 to \$11.4 billion in 2003. By 2006, sales are expected to reach \$12.5 billion. Current and projected growth reflects increasing consumer income and a national propensity for eating out more and trying new product and service concepts.

Except for the fast-food and catering subsectors, the HRI market is fragmented. But continuing growth is expected to bring transformation as companies adapt to new market demands and opportunities. More mergers, acquisitions and alliances are likely. Despite the pressure to merge, there is growth opportunity for small independent high-end hotel and restaurant segments.

The Netherlands' sophisticated food service sector and affluent, open-minded consumers make for an attractive market combination. Also, the country's high food production costs have led to an increasing reliance on imports from nearby countries. Trade with other EU (European Union) countries is fairly easy and inexpensive.

However, for some products, HRI sector buyers must look beyond the EU. For example, year-round availability of some fruits and vegetables requires imports from non-EU countries. Another reason for looking outside the EU border is price. Buyers are also looking for unusual products produced only outside the EU.

## Where You'll Eat in the Netherlands

All food service sectors have prospered in the past four years. They include:

- **Bars.** Focus on drinks, but food also served
- **Fast-food outlets.** Restricted menu of food for immediate consumption
- **Full-service restaurants.** Sit-down establishments, characterized by table service and higher food quality
- **Takeaway.** No facilities for eating on premises
- **Self-service cafeterias**
- **Street stalls/kiosks.** Mobile providers with limited offerings and low prices
- **Catering.** For food service in prisons, workplaces, hospitals, schools, such as contracted business caterers (at corporations, government offices, nursing homes and schools)

Full-service restaurants, fast-food outlets, bars and contract catering dominate the HRI industry, but fast-food outlets have had the most consistent growth.

The café and bar subsectors have been the first to respond to new market conditions, closing smaller and opening larger establishments. The number of full-service restaurants and fast-food outlets is expected to increase by 5 percent over the next few years.

## U.S. Products That Sell Well

- Wines
- Seafood
- Fresh fruits
- Nuts
- Beef certified to be from cattle not treated with growth hormones
- Processed fruits and vegetables
- Sauces and condiments
- Game meats

## Prospective Best Sellers

- Fruits not grown in the EU
- Innovative sauces and condiments

For details, see FAS Report NL4010. To find it on the Web, start at [www.fas.usda.gov](http://www.fas.usda.gov), select **Attaché Reports** and follow the prompts.



The ethnic or foreign cuisine trend is responsible for virtually all new full-service restaurants. Fast-food growth occurred mostly through expansion by big chains like McDonald's, DéliFrance and FEBO.

## How They Source

HRI companies purchase imported products directly from importers, wholesalers and local suppliers.

Fast-food outlets, which often belong to a chain, usually purchase through proprietary distributors for the franchise.

Due to its consolidated structure, the Dutch catering subsector has a limited number of dedicated distributors. These distributors tend to buy directly from local producers and importers.

Independent establishments buy fresh products, alcoholic beverages and soft drinks from local suppliers and other products from wholesalers. Bigger restaurants and chains usually buy from wholesalers and distributors.

## Demographics Changing

The changing structure of the Dutch population has created three growing HRI markets: the graying generation, the working household and ethnic groups.

Today's Dutch consumer is more informed, health conscious and outward-looking in consumption habits. This bodes well for new product and service concepts. However, with intense rivalries, suppliers need to stay on top of new consumer trends and keep a watchful eye on prospective competitors. ■

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